

HAROLD M. HOFFMAN
ATTORNEY AND COUNSELOR AT LAW

1140 AVENUE OF THE AMERICAS
SUITE M-01
NEW YORK, NEW YORK 10036-5803

Tel + 1 212 486 6322
Fax + 1 212 980 8748
hoffman.esq@verizon.net

Member: New York & New Jersey Bars

June 27, 2008

Hon. Richard J. Sullivan, U.S.D.J.
United States Courthouse
500 Pearl Street, Room 615
New York, NY 10007

Re: ***INNA GUDAVADZE, et al. v. JOSEPH KAY and EMANUEL ZELTSER***
08 Civ 3363 (RJS)

Honorable Judge Sullivan:

In the Court's memorandum and order dated May 30, 2008, I am ordered to "submit a letter every thirty days to plaintiffs' counsel and the Court regarding the status of Zeltser's detention in Belarus" (at p. 11). This letter constitutes my first such 30-day report.

Mr. Zeltser remains in KGB prison in Minsk, Belarus. He has not been brought before a magistrate or other judicial officer. No formal charges have been lodged against him in any Belorussian court and the investigation seems to have shifted from the original claim of possession of forged documents to possession of narcotics, apparently the doctor prescribed medications on his person at the time of his arrest. He has not had access to a western lawyer or doctor and his physical condition, as recently reported by the U.S. consular official in Minsk, is very poor. His Belorussian lawyer Goryachko reports that he has never witnessed a circumstance like this one, even in the pre-Glasnost Soviet era.

In the May 30 memorandum and order, I am also ordered (at p. 11), to continue "to make reasonably diligent efforts to search for and to produce the documents that this Court ordered produced to plaintiffs' counsel in the OSC dated April 21, 2008." Although there seems to be no periodic or other reporting requirement in respect of my search obligation, I thought it best to advise the Court that, to date, my search efforts have been unsuccessful. These efforts have included interviews of persons who might be aware of the location of these documents as well as a personal examination of Mr. Zeltser's office.

Hon. Richard J. Sullivan, U.S.D.J.

June 26, 2008

Page 2

I note though that I have been unable to interview one individual, Michelle Duncan, who, in my view, has information reasonably calculated to assist in the court-ordered search effort. Ms. Duncan, as your Honor may recall, has admitted to attending meetings in Minsk with Belarus prosecuting authorities at a time when Mr. Zeltser was being investigated for attempting to use, we believe, those documents which the Court has ordered me to search for. Further, as the Court may recall, in U.S. State Department documents, mention is made, based on a personal interview with Mr. Zeltser, that he, while in custody in Minsk, made a telephone call to a London hotel and gave instruction that documents lodged at said hotel be released to Ms. Duncan's client, Berezovsky. At or about the time that such telephone call was made by Mr. Zeltser, Ms. Duncan was in Minsk meeting with those prosecuting Mr. Zeltser.

Based on the foregoing, I asked Ms. Duncan, in writing, to meet with me, or speak with me by telephone, to hear what she had learned in Minsk and whether such would be useful in connection with my court-ordered search obligation. In her last communication, on Monday, June 16th, Ms. Duncan, after conferring with plaintiffs' counsel on Friday, June 13th, wrote to me that "neither my client [Berezovsky] or I are able to assist you in this regard. In the circumstances I do not believe that a meeting or a telephone call is either necessary or appropriate."

Based on the facts of which I am aware, and the tone of Ms. Duncan's e-mails to me, I am of the belief that she is not being entirely candid and forthcoming.

Respectfully yours,

s/

Harold M. Hoffman

cc: All Counsel